

2021 South Dakota Legislature | **January 19, 2021**

State of the State Address

Gov. Kristi Noem kicked off the session with her third State of the State Address on Tuesday, Jan. 12, 2021. The Governor's remarks were largely centered around the positive response of all South Dakotans during the global pandemic. The Governor highlighted acts of courage by medical professionals treating overwhelmed medical facilities while providing healing and comfort to COVID patients. Additionally, she praised business leaders with growing the economy by attracting many new and expanding businesses to South Dakota and recognizing many individuals from across South Dakota in making a difference for all South Dakotans.

Legislative News

As is typically the case, the first batch of bills introduced in 2021 consists primarily of legislation introduced on behalf of executive branch agencies, constitutional offices and interim legislative committees. Here are some of the bills I will be following this session.

SB 8: This bill was brought by the South Dakota Division of Banking as an act to revise various provisions related to banks and trusts. A high-level summary of the bill:

- Sections 1-5 and 7 are cross reference updates.
- In Section 6, 54-11-10 was repealed in 2015 and replaced by 54-11-12, but the cross reference in 51A-12-13 was not updated.

SB 9: This bill brought by the South Dakota Division of Banking will consolidate three chapters of South Dakota law dealing with bank trust departments and trust companies into two chapters and in the process will remove redundancy and reduce confusion. South Dakota law currently provides three chapters in Title 51A dealing with bank trust departments and trust companies. One of those chapters, 51A-6, has gone unused for many years and leads to some confusion regarding its application. The objective of this bill is to reduce confusion and redundancy by repealing chapter

51A-6, removing references to trust companies in chapter 51A-5 and cleaning up chapter 51A-6A. Senate Bills 8 and 9 have been discussed in detail between the South Dakota Division of Banking and the SDBA. The SDBA is supportive of this clean-up legislation.

SB 55: This bill is an act to authorize certain innovative insurance products and services through insurance innovation waivers. The SDBA was initially following this legislation on behalf of the SDBIS, however, it has been determined not to be a bill of interest.

SB 56: This bill would look to revise certain provisions regarding the abuse of health insurance. The SDBA was following this proposed legislation on behalf of the SDBIS, however, it has been determined not to be a bill of interest.

SB 35: This bill was introduced by the South Dakota Department of Revenue and would authorize an appropriation from the general fund to the Department of Revenue and the Department of Health for the purpose of implementing the constitutional provisions contained in Amendment A and the same with Initiated Measure 26.

SB 71: This bill was introduced by Sen. Jim Bolin (R-Canton) and would designate June 19 as Juneteenth Day, and as a working holiday recognizing this day in 1865 that the Civil War was over and that slavery in the United States had been abolished and that slaves were free persons.

HB 1001 is intended to correct technical errors in statutory cross-references regarding insurance. **HB 1003** is to revise certain provisions regarding credit for reinsurance. In both cases, the SDBA was tracking these bills on behalf of the SDBIS, however, it has been determined they are not bills of interest.

HB 1002 is intended to revise certain provisions regarding fingerprint-based background checks for the Real Estate Commission and the Appraiser Certification Program. This bill was brought by the Department of Labor and goes in concert with HB 1015.

HB 1015 is introduced by the Department of Labor and is intended to provide rule-making authority for establishing an appraiser experience training program and the setting of fees. In anticipation of this proposed bill, the SDBA Board of Directors voted to support this legislation during its Dec. 3, 2020, board meeting. Karl Adam will testify before the House Commerce and Energy Committee on Jan. 25, 2021, in favor of this bill.

HB 1045 was introduced by Rep. Tina Mulally (R-Rapid City) and is to revise certain tenant and landlord rights. The SDBA was opposed to this bill in its original form as it did not contemplate prior perfected security interests. SDBA Legal Counsel Brett Koenecke offered an amendment that requires any property that is subject to a prior perfected security interest shall be turned over to the holder of the interest and may not be retained or disposed of by the landlord. Rep. Mulally, the author of this bill, was accepting of this amendment, and the SDBA would no longer oppose.

HB 1046 This proposed bill is brought by Rep. David Anderson (R-Hudson) on behalf of many industry representatives and is to limit liability for certain exposures to COVID-19. The SDBA was involved in the crafting of this legislation and was approved by the SDBA Board of Directors during its Dec. 3, 2020, board meeting to support this legislation.

HB 1049 this bill was introduced by Rep. David Anderson (R-Hudson) and is an act to create a used vehicle dealer education program and revise provisions regarding used vehicle licensure requirements. The SDBA is watching this bill to ensure that “banks remained exempt” from this licensure requirements.

This concludes my first week’s report of bills that are being tracked by SDBA staff at the South Dakota Legislature. Should you have questions, please do not hesitate to contact me—SDBA President Karlton Adam.

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